

## STATE OF WASHINGTON OFFICE OF FINANCIAL MANAGEMENT

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December 30, 2004

TO:

Steve Nelsen, Executive Director

Law Enforcement Officers & Firefighters Plan 2 Retirement Board

FROM:

Diann Lewallen, Senior Financial Officer

Small Agency Client Services

**SUBJECT:** 

NOVEMBER 2004 MONTHLY REPORTS ()

The November 2004 reports indicate expenditures are less than planned in many areas. However, in some areas the opposite is true. I expected the agency to spend approximately 67 percent of its biennial appropriation by the end of November, and the agency has spent 46 percent. Discussion of the activity follows.

**Salaries and Benefits** – Current expenditures total 74 percent of the allotment to date. The agency spent \$85,515 less than anticipated due to delays in hiring. These are true savings the agency can use to cover deficits in other areas.

**Personal Service Contracts** – Current expenditures total 93 percent of the biennial allotment, exceeding allotments to date. This is due to a recent purchase of an actuarial audit performed by Milliman and Robertson, Inc.

## **Goods and Services**

- Supplies (EA) Current purchases total 96 percent of the allotment to date. The agency currently shows a savings in this area.
- Communications (EB) Expenditures total 57 percent of the allotment through November. The variance is a result of the delay in mailing the brochure in August as planned, lower usage of DIS services, and higher costs for Verizon services.
- Utilities (EC) Expenditures total 98 percent of the biennial allotment. The costs for utilities average \$150 per month more than anticipated. The agency needs to offset future costs through savings in other areas.
- Rentals and Leases (ED) Office space and equipment rental expenses total 43 percent of the allotment to date. Rental costs from the Department of Printing average \$220 more per month than anticipated. The savings in rental expenses for the first seven months offset this over expenditure.
- Repairs, Alterations & Maintenance (EE) Expenditures exceed biennial allotments in this area, due to tenant improvements. Costs in excess of allotments need to be offset by savings in other
- Printing (EF) Expenditures total 35 percent of the biennial allotment. The allotments anticipate the cost of printing a document in August that I have not seen expenditures for yet. The agency has savings in this area.

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- Training (EG) Expenditures exceed biennial allotments by \$1,582. Conference fees and membership dues paid to the International Foundation of Employee Benefits Plans comprise the majority of the expenditures. Costs in excess of the allotments need to be offset by savings in other areas.
- Subscriptions (EJ) Expenditures total 47 percent of the allotment through November, resulting in savings.
- Facilities and Services (EK) Agency expenditures exceed biennial estimates by \$839. Payments to GA for office move-related costs comprise the majority of expenditures. The annual Consolidated Mail fee through December is paid. Although monthly mail costs remain lower than estimates, expect additional fees for mail processing. Costs in excess of allotments need to be offset by savings in other areas.
- Data Processing (EL) Current expenditures total 65 percent of the allotment to date. Recent AFRS costs are higher than estimates by an average of \$33 per month. Even if this trend continues, I do not anticipate any problems. Monthly DIS and HRISD costs remain lower than estimates by \$360 per month. Other data processing costs nearly align with estimates. This is a potential savings area.
- Attorney General Services (EM) Current charges total 82 percent of the allotment to date. The agency may have savings in this area.
- Personnel (EN) and Insurance (EP) There are no expenditures to date. The agency can use the \$21,000 savings from the executive director search to cover deficits in other areas.
- Purchased Services (ER) —Current activities total 76 percent of the allotment to date. SACS costs through December are paid. Other expenditures include the actuarial services agreement. The agency currently has savings in this area.
- Other Goods and Services (EZ) Expenditures total 34 percent of the allotment through November. The majority of expenditures are for light refreshments. The agency has savings in this area.

**Travel** – The agency continues to under spend its travel allotment. This is due to lower out-of-state travel costs and savings accumulated in fiscal year 2004 while the agency was established. The agency has savings in this area.

Capital Outlays—Costs exceed biennial estimates in this area by \$10,847. The agency needs to use savings in other areas to offset the payments for equipment to furnish the office.

## **IMPORTANT DATES**

January 5 Payroll Cutoff (B)
January 10 2005 Legislative Session Begins
January 25 Quarterly Allotment Adjustments Due

Please call me at (360) 664-7666, or email me at Diann.Lewallen@ofm.wa.gov if you have any questions regarding the reports or information in this memorandum.

Attachments